THE MINISTER OF STATE OF THE MINISTRY OF COMPANY AFFAIRS (SHRI PREM CHAND GUPTA): (a) No, Sir.

(b) Does not arise.

(c) Does not arise.

Simplified Settlement Scheme for Firms

606. SHRIMATI VANGA GEETHA: Will the Minister of COMPANY AFFAIRS be pleased to state:

(a) whether Government have announced that it would introduced a Simplified Settlement Scheme for firms found violating the Companies Act and look at striking off;

(b) if so, the details worked out in this regard;

(c) whether it is a fact that almost 50 per cent of the more than six lakh companies do not comply with Companies Act provisions;

(d) if so, the details of such companies found violating the Act;

(e) the action taken against such companies; and

(f) the steps taken by Government to make laws more stringent against such companies in future?

THE MINISTER OF STATE OF THE MINISTRY OF COMPANY AFFAIRS (SHRI PREM CHAND GUPTA): (a) No, Sir.

(b) Does not arise.

(c) to (e) As per available records 303107 companies out of 641512 registered companies were found to be in default in filing statutory returns with the Registrar of Companies during the year 2003-2004. Such companies are liable for payment of additional fees for delayed filing in addition to other legal action under the Companies Act, 1956.

(f) Through Companies (Amendment) Act, 2000, fines leviable for all offences under the Companies Act, 1956 were enhanced upto 10 times from what were provided prior to the said amendment. The need for effective action against companies violating the law is also sought to be addressed as a part of the exercise for comprehensive revision of the Companies Act, 1956 undertaken by the Ministry.